

Message Text

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TO SECSTATE WASHDC 2598

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 01629

E.O. LL652: XGDS-L
TAGS: ENRG, UK, LAB
SUBJECT: EFFECTS OF A POSSIBLE ELECTRICITY WORKER STRIK

L. BEGIN SUMMARY. WAGE NEGOTIATIONS WILL SOON BEGIN WITH BOTH MANUAL AND ENGINEERING WORKERS IN THE ELECTRIC POWER INDUSTRY, WHO WILL DEMAND MUCH MORE THAN THE GOVERNMENT'S GUIDELINES ALLOW. IN THE EVENT OF INDUSTRIAL ACTION IF NEGOTIATIONS BREAK DOWN, THEY COULD CAUSE SEVERE DISRUPTION THROUGH GRADUAL POWER CUTS OR EVEN BRING THE BRITISH ECONOMY TO A COMPLETE STOP. THE POTENTIAL IMPACT OF A STRIKE IS GREATER THAN THAT OF THE L974 COAL STRIKE. END SUMMARY.

2. ELECTRICITY SUPPLY WORKERS WILL REACT TO A WAGE OFFER TO BE PRESENTED FEBRUARY 2 BY THE ELECTRICITY COUNCIL. IT SEEMS CLEAR THEY WILL DEMAND MUCH MORE THAN THE L0 PERCENT GOVERNMENT GUIDELINES ALLOW. HOWEVER, THOSE GUIDELINES ALLOW PRODUCTIVITY GAINS, AND IF ELECTRICITY WORKERS ARE REASONABLE, THEY CAN PROBABLY GET WHAT AMOUNTS TO MORE THAN L0 PERCENT. UNION LEADERS ARE FOR THE MOMENT REMAINING FLEXIBLE ON HOW TO PROCEED, BUT THERE IS SPECULATION THAT SOME SORT OF ACTION, E.G.

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SPORADIC STOPPAGES, WORK-TO-RULE OR EVEN A COMPLETE POWER SHUTDOWN, COULD RESULT. THUS THEY POSE A SERIOUS THREAT INDEED TO GOVERNMENT WAGE POLICY AND TO THE ECONOMY.

3. THE POTENTIAL FOR DISRUPTION IS VASTLY GREATER THAN ANYTHING THAT RESULTED FROM THE POWER CUTS OF LAST FALL

OR EVEN THE COAL STRIKE OF L974. THE ACTION IN THE FALL OF L977 WAS AN UNOFFICIAL STOPPAGE; A GRASS-ROOTS REBELLION AMONG MANUAL WORKERS. THE ENGINEERS AND PROFESSIONAL WORKERS STAYED AT WORK AND WERE ABLE TO KEEP MOST OF THE ELECTRICITY SUPPLY FLOWING. THIS TIME, THE LATTER WILL BE PRESENTING WAGE DEMANDS OF THEIR OWN SHORTLY AFTER THE MANUAL WORKERS' NEGOTIATIONS BEGIN. THUS, IF THE MANUAL WORKERS BEGIN VARIATIONS OF PARTIAL, PROGRESSIVE, OR FULL SHUTDOWN ACTION, SOME OF OUR SOURCES BELIEVE THE ENGINEERS MIGHT BE UNLIKELY TO TAKE OVER OPERATIONS, EXCEPT FOR A SHORT INTERIM PERIOD. IN L974, THE THREE-DAY WORK WEEKS WERE MADE POSSIBLE BY RATIONING OF INPUTS TO THE SYSTEM (THE REMAINING COAL SUPPLIES). A PROGRESSIVE SHUTDOWN OF ELECTRICITY ITSELF, HOWEVER, COULD RESULT IN LARGE-SCALE SUSPENSIONS OF ECONOMIC ACTIVITY. MEANWHILE THE GOVERNMENT SHOWS NO INCLINATION TO DEPART FROM A TOUGH STANCE IN DEFENSE OF ITS PAY POLICY WHILE NEGOTIATING PRIVATELY FOR A SETTLEMENT TO AVOID A CONFRONTATION.

4. THE GOVERNMENT HAS DIRECTED THE MILITARY SERVICES TO BE PREPARED TO STEP IN IF THE WORST SHOULD HAPPEN, BUT THEIR ROLE WOULD BE MARGINAL. IN THE EVENT THAT ENGINEERS DID NOT COOPERATE WITH STRIKERS, THE MILITARY COULD PROBABLY ADEQUATELY SUBSTITUTE FOR THE MANUAL WORKERS. HOWEVER, THE ELECTRICITY DIVISION OF THE UK

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DEPARTMENT OF ENERGY (UKDOE) DOES NOT BELIEVE THE SERVICEMEN COULD OPERATE THE CONTROL CONSOLES IN THE ABSENCE OF ENGINEERS. THROUGHOUT THE L960S BRITAIN INSTALLED A NEW GENERATION OF POWER STATIONS WHICH ARE TOO SOPHISTICATED FOR THE MILITARY TO RUN ALONE. THE MILITARY IS MORE LIKELY TO BE EMPLOYED AROUND THE COUNTRY OPERATING STANDBY GENERATORS TO ADD EMERGENCY POWER TO CRITICAL SERVICES SUCH AS HOSPITALS AND WATER AND SEWAGE PUMPING STATIONS.

5. A WILDCAT SHUTDOWN OF ONE MAJOR GENERATING PLANT, IF NOT IMMEDIATELY BALANCED THROUGH ALERT LOAD REDISTRIBUTION, COULD DAMAGE THE ENTIRE NATIONAL GRID. THUS THE GOVERNMENT RECOGNIZES A NEED TO REACT SWIFTLY. IN THE EVENT OF A JOB ACTION DECISION, UKDOE AND CENTRAL ELECTRICITY GENERATING BOARD (CEGB) OFFICIALS SPECULATE THERE MIGHT BE A FEW DAYS' LOYALTY ON THE JOB BY THE ENGINEERS TO DEMONSTRATE THEIR INDISPENSABILITY. THIS, THEY BELIEVE, MIGHT BE FOLLOWED BY WORK-TO-RULE COOPERATION AMONG THE UNIONS INVOLVED, WITH PROGRESSIVE REDUCTION OF POWER SUPPLY PARALLEL TO THE UNFOLDING OF WAGE NEGOTIATIONS. PRIVATELY, TRADE UNION SOURCES ARE

WARY OF PREDICTING THE EXTENT, IMPACT AND POSSIBILITY OF
JOB ACTION. ANOTHER UNION SOURCE SAYS THE ENGINEERS
ARE HARD TO PREDICT AND THAT CATASTROPHIC CONSEQUENCES
ARE PART OF THEIR NEGOTIATING RHETORIC. THE SOURCE

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NOTES THAT SOME TROTSKYITES IN THE POWER WORKERS UNIONS
ARE LIKELY TO CAUSE UNOFFICIAL STOPPAGES, IN WHICH CASE
OTHERS WILL CONTINUE TO WORK.

6. THE GOVERNMENT OPERATES A NATIONAL GRID CONTROL FROM
A SECRET LOCATION, WHICH ISSUES INSTRUCTIONS TO FIVE
REGIONAL CONTROL CENTERS ON HOW TO DISTRIBUTE THE LOAD.
THUS, WE ARE TOLD BY THE UKDOE, IT WOULD BE IMPOSSIBLE
FOR STRIKERS TO BLACK OUT AREAS SELECTIVELY UNLESS
85 PERCENT OF TOTAL POWER IS LOST. THEREAFTER, THE
REMAINING 15 PERCENT OR LESS WOULD HAVE TO BE DISTRIBUTED
LOCALLY. A TOTAL STRIKE WOULD IMMEDIATELY CUT 70 PERCENT
OF POWER IN THE NATIONAL GRID, ON THE ASSUMPTION THAT THE
ENGINEERS AND MANAGERS WOULD CONTINUE TO WORK FOR ONLY
ONE OR TWO DAYS. THEREAFTER, ALL POWER IN THE GRID WOULD
BE LOST.

7. HMG IS DISCUSSING CONTINGENCY PLANS WHICH WOULD
ALLOCATE SUPPLIES IN ORDER OF PRIORITY. UP TO A 30
PERCENT POWER LOSS WOULD RESULT IN NO INDUSTRY SHUTDOWN.

ELECTRICITY CONSUMERS WOULD SIMPLY COPE AS BEST THEY
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COULD ON THE BASIS OF PUBLISHED THREE-HOUR, HIGH-RISK
BLACKOUT SCHEDULES SHIFTED BETWEEN AREAS, AS THEY DID
LAST FALL. IN HOMES, THIS WOULD PRODUCE LITTLE HEATING
LOSS OR THAWING OF FOOD IN FREEZERS; ALERT CITIZENS COULD
AVOID ELEVATORS DURING HIGH-RISK "WINDOWS".

8. WITH PROGRESSIVELY GREATER CUTS, HMG FIRST WOULD
PROHIBIT NEARLY ALL COMMERCE SIMULTANEOUSLY, THEN ALL
INDUSTRY (EXCEPT FOR FOOD) WOULD BE TOLD TO CLOSE FOR
SEVERAL DAYS LINKED TO CUTS IN THE AREA. BLOCK DIS-
CONNECTIONS WOULD BECOME NECESSARY IN RESIDENTIAL AREAS.
THIS WOULD THEN LEAVE APARTMENTS AND HOMES WITHOUT HEAT,
LIGHT, OR WATER (BECAUSE ELECTRIC PUMPS ARE NECESSARY TO
CIRCULATE HEATING OIL, LIFT WATER TO ROOFTOP TANKS, ETC.)
AND LOCAL SEWERS COULD BEGIN TO BACK UP. FEW BRITISH
APARTMENT BLOCKS HAVE BACKUP POWER UNITS. DURING THE
L977 POWER CUTS, EVEN SOME HOSPITAL EMERGENCY GENERATORS
PROVED INADEQUATE. WITH 60 TO 70 PERCENT POWER REDUC-
TIONS, ELECTRICITY ALLOCATIONS WOULD STILL BE POSSIBLE TO
BLOCKS CONTAINING HOSPITALS AND WATER AND CENTRAL SEWAGE
PUMPING STATIONS.

9. A KEY UKDOE OFFICIAL DISCOUNTS AN ALL-OUT SHUTDOWN AS
UNLIKELY, AS STRIKERS WOULD HAVE TO KEEP AN EYE ON
CONDITIONS FACING THEIR OWN FAMILIES AND THE PUBLIC BACK-
LASH, ON WHICH THE GOVERNMENT IS COUNTING. THEY WOULD
ALSO BE EXPECTED TO CONSIDER THE REACTION OF OTHER TRADE
UNIONISTS, WHO WOULD SUFFER LAYOFFS AND WHO ARE SUPPORTER
OF THE GOVERNMENT, WHICH THEY DO NOT WISH TO BRING DOWN.
THUS A TOTAL POWER CUT MIGHT BE UNLIKELY, BUT THE EFFECTS
OF ONE COULD BE DRASTIC INDEED AND CERTAINLY MUCH GREATER
THAN THE COAL STRIKE OF L974. THE ELECTRICITY WORKERS,
AND PARTICULARLY THE ENGINEERS, MAY THEREFORE HAVE THE
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GREATEST LEVERAGE OF ANY UNIONS IN BRITAIN. JUST HOW
THEY WILL DEVELOP THEIR SPECIFIC CLAIMS AND TACTICS WILL
SOON UNFOLD, BUT EMERGENCY PLANNING IS GOING AHEAD JUST
IN CASE.

L0. SOME ELECTRICITY WORKER LEADERS HAVE CLAIMED THERE
HAVE BEEN LARGE PRODUCTIVITY GAINS SINCE L967, HINTING
THAT POSSIBLY A SELF-FINANCING PRODUCTIVITY DEAL ON

FUTURE EARNINGS MAY PROVIDE PART OF A SETTLEMENT FOR A "SUBSTANTIAL" WAGE RISE (I.E. MORE THAN 10 PERCENT). THE EFFECTS OF A SETTLEMENT ABOVE 10 PERCENT ON THE GOVERNMENT'S ABILITY TO HOLD THE WAGE LINE WOULD DEPEND AT LEAST IN PART ON THE SKILL WITH WHICH ANY PRODUCTIVITY GAINS ARE DISGUISED OR DOWNPLAYED. AN EXCESSIVE SETTLEMENT WOULD CAUSE SEVERE STRAINS. OTHER UNIONS MIGHT TRY TO EMULATE ANY LARGE SETTLEMENT, ALTHOUGH FEW ARE IN SO STRONG A POSITION TO ENFORCE THEIR DEMANDS.

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